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9 **IN THE UNITED STATES BANKRUPTCY COURT**
10 **WESTERN DISTRICT OF WASHINGTON**
11 **AT SEATTLE**

12 **In re**

13 **CHRIS YOUNG DONG YOO and**
14 **JIEUN SONG YOO,**

15 **Debtors**

16 **IN HO HWANG, EUN (ESTHER)**
17 **KOH, CHANG KYU LEE, KI-**
18 **CHANG PARK, and CHUNG HO**
19 **WOO and KAB SUN WOO,**
20 **husband and wife,**

21 **Plaintiff,**

22 **v.**

23 **CHRIS YOUNG DONG YOO and**
24 **JIEUN SONG YOO,**

25 **Defendants.**

NO. 16-10191-CMA

ADV. NO.

COMPLAINT FOR DECREE OF
NON-DISCHARGEABILITY

Comes now Plaintiffs, appearing by and through their attorney of record,

Complaint for Non-Discharge 14- 80070-FLK
Page 1 of 8

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V 206-923-2889 F 206-923-2892

1 Courtland Shafer, and alleges as follows:

2
3 **PARTIES**

4 1. Plaintiffs are all former clients of Chris Yoo's investment advisory
5 firm and its various wholly controlled LLC's. All are originally citizens of the
6 Republic of Korea.

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8 2. Defendant Chris Young Dong Yoo was the former control person of
9 Summit Asset Strategies Investment Management, LLC, and several other
10 related entities, including Summit Strategic Opportunities, LLC and Summit
11 Stable Value Fund, LLC. Defendant Chris Young Dong Yoo is a Debtor in a
12 Chapter 7 case pending before this Bankruptcy Court, Chapter 7 Case No. 16-
13 10191-CMA. All acts described in this Complaint were for the benefit of Mr.
14 Yoo's marital community.
15

16
17 3. Defendant Jieun Song Koo was the spouse of Defendant Chris Young
18 Dong Yoo at all times relevant to this Complaint. On information and belief,
19 defendant Chris Young Dong Yoo acted with the knowledge and cooperation of
20 Defendant Jieun Song Koo, and the two of them enjoyed a lavish lifestyle
21 together based upon the actions complained of in this Cause of Action.
22 Defendant Jieun Song Koo is a Debtor in a Chapter 7 case pending before this
23 Bankruptcy Court, Chapter 7 Case No. 16-10191-CMA.
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JURISDICTION AND VENUE

3. This adversary proceeding is being brought in connection with the Defendant’s Chapter 7 case, Case No. 16-10191-CMA7.

4. This Court has jurisdiction over this matter pursuant to the provisions of 28 USC §§ 1334(b) and 157(a).

5. This is a core proceeding under 28 USC 157(b)(2)(I).

11 USC Section 523(a)(2) ACTION

6. Defendant Chris Young Dong Yoo was an owner and control person of the Registered Investment Advisor (“RIA”) firm, Summit Asset Strategies Investment Management, LLC, a limited liability company organized under Washington law. He was not a broker-dealer representative, or affiliated with any broker-dealers that would house investment products. Mr. Yoo started his business, with others, in 2006.

7. Mr. Yoo’s flagship product was called the “Summit Stable Value Fund,” which promised a 7% constant return. Promotional literature for the “Stable Value Fund,” to the extent that it expressed a coherent investment strategy, purported to be a fund using high-risk arbitrage techniques and high-risk distressed company equity positions, which are inconsistent with traditional stable value fund holdings of high quality, diversified fixed income

1 portfolio that are protected against interest rate volatility by contracts from
2 banks and insurance companies.

3
4 8. To anyone who understood US investments and US investment
5 markets, Mr. Yoo's and Summit Stable Value Fund's stated strategies were
6 nonsensical. Furthermore, his lack of connections to a broker-dealer would
7 have raised questions about exactly where Summit's investments were located.
8 Which was, of course, why Mr. Yoo made a point of marketing his scheme
9 primarily to recent Korean immigrants.

10
11 9. Using a combination of affinity to both the Korean community and
12 the Korean Christian community, Mr. Yoo convinced dozens of individuals
13 who were less experienced with US markets, to invest with Summit Asset
14 Strategies Investment Management, LLC.

15
16 10. In 2013, Christopher Yoo created a fraudulent audit trail in order to
17 convince the auditors of Summit Asset Strategies Investment Management, LLC
18 that it had assets when, in fact, it was worth less than one-tenth of its claimed
19 worth. This lie was done on purpose, in order to continue his fraudulent
20 scheme.

21
22 11. In reality, "Summit Stable Value Fund" existed as purely a Ponzi-
23 type scheme where Mr. Yoo, on purpose, lied about the fund's condition in
24 order to extract profits from it to support his lavish lifestyle.
25

1
2 12. On September 4, 2015, the Securities and Exchange Commission
3 charged Chris Yoo and Summit Asset Strategies Investment Management, LLC
4 with fraudulently inflating the values of investments in the portfolio of Summit
5 Stable Value Fund so they could attain unearned management fees. Chris Yoo
6 and Summit Asset Strategies Investment Management, LLC agreed to settle the
7 fraud charges arising from Summit Stable Value Fund. Yoo and another of his
8 advisory firms Summit Asset Strategies Wealth Management, LLC agreed to
9 settle fraud charges related to his failure to inform clients that Summit Asset
10 Strategies Wealth Management received significant fees when referring them to
11 invest in the fund.
12

13 13. According to Marshall S. Sprung, Co-Chief of the SEC Enforcement
14 Division's Asset Management Unit, "[Chris] Yoo manipulated the value of
15 certain fund assets to manufacture millions of dollars in illusory profits that he
16 used to line his pockets with fees he did not truly earn. He also failed to
17 disclose a conflict of interest involving his other firm."
18

19 14. Without admitting or denying the SEC allegations, Chris Yoo and
20 Summit Asset Strategies Investment Management agreed to pay disgorgement
21 of \$889,301 plus prejudgment interest of \$104,632 and a penalty of \$150,000; and
22 Summit Asset Strategies Wealth Management agreed to pay disgorgement of
23 \$81,729.14 plus prejudgment interest of \$6,611.75 and a penalty of \$100,000.
24 Chris Yoo also agreed to be barred from the securities industry.
25

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2 15. Based on the fraudulent and misleading representations of Chris
3 Yoo, Plaintiffs made various investments in Mr. Yoo's fraudulent investment
4 vehicles

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6 16. Defendant Chris Yoo intentionally misstated the financial viability
7 and growth prospects of his investment vehicles, in order to lure more people
8 to invest. The representations made by defendants Chris Yoo, both to the
9 public and to Plaintiffs in particular, were false, misleading, and omitted
10 important material facts; Plaintiffs assert both Defendants knew this at the time
11 of making the representations.
12

13 17. Defendants have been making efforts to avoid their former investors
14 since the September, 2015 revelations about Mr. Yoo's fraud.
15

16 18. Defendants used the funds from Plaintiffs to support the lavish
17 lifestyle of themselves and their family. Furthermore, Defendants have made
18 gifts to several family members and, on information and belief, are actively
19 attempting to hide assets.
20

21
22 19. Christopher Yoo's actions created a debt to Plaintiffs that is
23 nondischargeable pursuant to §523(a)(2) (false pretenses, false representation)
24 and (4) (fraud, embezzlement, larceny).
25

1 20. Christopher Yoo's conduct in soliciting sales of worthless securities
2 has been the subject of a "Cease and Desist" Order issued by the Washington
3 State Department of Financial Institutions.
4

5 **W H E R E F O R E**, the Plaintiffs Trust pray for a judgment under §523
6 determining that the debts of the Defendants Yoo are non-dischargeable.
7 Plaintiffs further prays for an award of interest, consequential damages,
8 reasonable attorney's fees and expenses, its costs and taxable disbursements
9 incurred herein and such further relief as the Court deems just and equitable.
10

11 DATED this 14th day of April, 2015
12

13 /s/ Courtland T. Shafer_____
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26 ATTORNEY FOR PLAINTIFFS

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APPENDIX A: SUMMARY OF CLAIM AMOUNTS

(PROVISIONAL; SUBJECT TO AMENDMENT AND INTEREST RATE CALCULATIONS)

IN HO HWANG: \$200,000.00

EUN (ESTHER) KOH: \$740,000.00

CHANG KYU LEE: \$200,000.00

KI-CHANG PARK and SO-EUN PARK: \$101,271.11

CHUNG HO WOO and KAB SUN WOO: \$230,000.00